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Report of the Trade and Development Board on its twenty-second special session*

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Chapter I

Chairperson's summary

Setting

1. At its thirty-sixth executive session, the Trade and Development Board decided to convene a special session with a view to providing an input to the process of the High-level Plenary Meeting of the sixtieth session of the General Assembly to renew the progress made in the fulfilment of the commitments contained in the United Nations Millennium Declaration.[1] It further decided that the main agenda item of the special session would be "Contribution of the Trade and Development Board to the follow-up to the relevant United Nations development conferences, including the Millennium Summit". The Board also agreed that the discussion should be based on the São Paulo Consensus[2] and the work done in the United Nations Conference on Trade and Development (UNCTAD) since then.

2. The special session was addressed by Dr. Osman M. Osman, Minister of Planning of Egypt, who, in his opening statement, undertook a critical review of the progress achieved so far in the implementation of the Millennium Development Goals. He nevertheless emphasized that the achievement of the Millennium Development Goals was still within reach, provided that, inter alia, the Goals were incorporated into national development plans, sustainable monitoring and evaluation mechanisms were put in place and developing countries could share their successful experiences so as to avoid pitfalls.

3. The ensuing discussion was extremely rich and diverse, yet at the same time focused on key problems and prospects of development. Its main elements are summarized below.

Status of implementation of agreed commitments and objectives

4. Grave concern was expressed at the status of implementation of commitments made and goals agreed in the Millennium Declaration and at interrelated development conferences, including the International Conference on Financing for Development, held at Monterrey, Mexico, the World Summit on Sustainable Development, held at Johannesburg, South Africa, the Third United Nations Conference on the Least Developed Countries, held in Brussels, the eleventh session of UNCTAD, held at São Paulo, Brazil, and the International Meeting to Review the Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States, held at Port Louis, Mauritius. Progress towards their goals has been woefully inadequate.

5. While developing countries have primary responsibility for their own development, their capacity to implement internationally agreed development goals remains contingent upon support from the international community and an enabling international environment for development. However, several delegations suggested that the international environment had not been in favour of development in recent years. Official development assistance (ODA) has remained far below the 0.7 per cent target, agreed 35 years ago, and ODA quality is also a matter of concern.

[1] See General Assembly resolution 55/2.

[2] TD/412, part II.

Foreign direct investment (FDI) is concentrated in only a few developing countries, and developing countries continue to be marginalized from global economic governance.

6. Recently agreed initiatives, such as the decision by the European Union (EU) to double its ODA by 2010 and to reach the 0.7 per cent ODA target by 2015, as well as the G-8 debt relief initiatives, were commended. However, one delegation said that those initiatives would be of real value only if they resulted in additional resource flows, respected national development priorities and were provided without conditionality.

7. One delegation referred to various initiatives taken recently by developing countries, such as the Doha Declaration and Doha Plan of Action adopted by the Second South Summit of the Group of 77 (A/60/111, annexes I and II) which should be used as working documents in the preparations for the High-level Plenary Meeting. Another delegation emphasized that priority should be given to national economic development in implementing the Millennium Development Goals. Based on national experience, it considered economic development, including an increase in per capita income levels, to be the fundamental way out of poverty.

8. Several delegations stressed that achieving the Millennium Development Goals and other internationally agreed development goals implied a broad agenda. Good governance, a vibrant civil society, functioning markets, and a competitive entrepreneurial private sector were essential ingredients of this process. It also required the full commitment of Governments to creating a favourable environment for growth and development. One delegation pointed out that, in the absence of the rule of law, effective and honest government, and legal and macroeconomic conditions conducive to local entrepreneurial initiative, international aid had little impact or value. Another delegation called for stronger measures against corruption in both developed and developing countries.

Africa

9. It was widely agreed that Africa was confronted with a multitude of development problems impeding its capacity to attain key Millennium Development Goals.

10. Although Africa has recorded a marked improvement in its recent economic performance, its growth rate still falls short of the target growth rate of 7 per cent per annum necessary to attain the Millennium Development Goals. Despite various preferential trade arrangements with its main trading partners, Africa's external trade continues to be hindered by a host of non-tariff barriers and excessive market entry requirements that nullify the market access granted under preferential tariff regimes. The trade of African countries is still dominated by commodities, which are subject to volatile price movements beyond their control. In most African economies, the modern services sector has yet to become a driving force of economic growth, competitiveness and development, a role that it plays in other developing and developed countries. Africa's problems are also reflected in the fact that most of the least developed countries are located on the African continent.

11. One delegation referred to the international consensus centred around the fact that the attainment of internationally agreed development goals, including the

Millennium Development Goals, in African countries required new initiatives that built on and expanded existing ones.

12. It was stated that Africa needed a "fair deal" that would enhance its productive and trade capacities and competitiveness, provide it with effective and favourable market access, secure genuine market entry opportunities and respect its specific trade and development concerns. Improving Africa's supply capacity is critical, including through diversification, industrial modernization and the development of modern and dynamic sectors. Africa requires a deal that will make serious inroads into poverty and address its marginalization.

Least developed countries

13. Many delegations highlighted the specific problems of least developed countries. The least developed countries are lagging behind in respect of many of the targets of the Millennium Development Goals. In order to redress this situation, the increased participation of least developed countries in the global trading system — a major objective reiterated in the Millennium Declaration — needs increased support from the international community.

14. The least developed countries welcomed the recent market access initiatives taken by developed countries in their favour. However, in order for them to take full advantage of such initiatives, enhanced market access for least developed country exports should entail not only tariff reductions but also more flexibility regarding both non-tariff measures and rules of origin.

15. It is imperative that investments in least developed countries be increased, including investments to develop and strengthen trade infrastructure, which is a major determinant of international competitiveness. In addition, supply capacity in least developed countries should be reinforced through the provision of adequate technical assistance and financial aid.

16. The least developed countries are aware of their primary responsibility for their own development. However, they can discharge this responsibility only if the international community assists their efforts efficiently and effectively. Areas that urgently need to be addressed by the international community in favour of least developed countries include the debt burden, the mobilization of FDI, the quality of public assistance, persistent adverse terms of trade, market access issues and the volatile price movements of their export products, in particular commodities.

17. With a view to helping least developed countries attain the Millennium Development Goals, in particular with regard to poverty reduction and development, one delegation suggested that (a) markets should be opened to all products from least developed countries, (b) funds for microcredit and microproducts should be set up to facilitate economic diversification, (c) all debts of least developed countries should be cancelled and (d) agricultural subsidies in developed countries should be ended.

Global partnership for development

18. It was stressed that a redoubling of political will and commitment, based on the principle of collective responsibility and global partnership, was imperative if

the goals of the development agenda were to be accomplished within the stipulated time frame.

19. The High-level Plenary Meeting in September 2005 will provide a timely opportunity to place development squarely at the forefront of the global agenda. One delegation suggested launching a global compact for development based upon successful past experiences and grounded in a global partnership for development, as stipulated in Millennium Development Goal 8.

20. This global compact should: (a) eliminate systemic inequities, especially in the rules related to trade, finance and technology; (b) facilitate the full integration of the development dimension into international rule-making, and allow countries flexibility and national policy space while assuming international obligations; (c) mobilize efforts to address systemic imbalances in the multilateral trading system, including the Doha Round of multilateral trade negotiations; (d) help enlarge market access for products of strategic importance to developing countries, as well as reduce barriers to trade and phase out trade-distorting subsidies; (e) realize the development dimension of the Doha work programme; (f) promote good governance at all levels; (g) ensure wider international policy coherence in managing globalization; (h) increase ODA flows and improve their quality and effectiveness; (i) contribute to an expeditious, comprehensive, development-oriented and lasting solution to the debt problems of developing countries; and (j) address the problem of weak and volatile commodity prices.

21. Several delegations referred to recent initiatives to develop a regional compact aimed at achieving the Millennium Development Goals in the Economic and Social Commission for Asia and the Pacific (ESCAP) region.

22. A number of delegations, referring to past experiences, urged that the global partnership for development should include an internationally agreed mechanism to help prevent financial crises and achieve more equitable burden-sharing in crisis situations between creditors and debtors and between the public and private sectors.

23. Several delegations spoke in favour of internationally agreed rules that would provide for policy space for development, including policy flexibility for developing countries, allowing them to formulate development strategies that took national interests and institutional realities into account. However, one delegation argued that good policy rather than policy space should be the focus of the debate.

24. Repeated emphasis was put on the appropriate role that the private sector should play in a global partnership. In this context, one delegation called for a stronger ethos of corporate developmental responsibility, so as to ensure that the business sector would be a positive agent of development.

The Doha work programme

25. Several delegations acknowledged that the multilateral trading system had not yet adequately addressed the concerns and interests of developing countries, and not all developing countries might be able to take full advantage of new opportunities that would be created by a successful outcome of the ongoing multilateral negotiations. There therefore remained an urgent need to address some of the systemic imbalances in the trading system, as well as to ensure full participation and ownership of the multilateral trading system by all countries, so as to achieve a

development-friendly, sustainable and ambitious outcome of the Doha Development Agenda that maximized development gains and thus contributed to the achievement of the Millennium Development Goals.

26. One delegation, while stressing that a sound multilateral trading system could provide hope to developing countries in their development endeavours, raised a number of questions in connection with the possible outcome of the current trade negotiations regarding the real benefits for developing countries, the improvement of their disadvantageous situation, and the scope of special and differential treatment and the policy space for developing countries.

27. Many delegations said that the special needs of weak and vulnerable developing countries, including the least developed countries, should be fully reflected in the outcome of the negotiations, including through special and differential treatment provisions. Others stressed that the Doha Round should facilitate market access through appropriate tariff measures, scaling back of non-tariff barriers, and agreement on rules of origin that were more cognizant of the conditions of these countries.

28. Special and differential treatment in favour of least developed countries should be an integral part of relevant agreements concluded in the Doha Round. Least developed countries that are not yet members of the World Trade Organization should benefit fully from the rules and guidelines regarding the accelerated accession process for these countries.

29. Recent proposals to grant duty-free and quota-free market access for all exports from least developed countries were welcomed. It was suggested that they should be made binding in the World Trade Organization and be granted immediately on a secure, long-term and predictable basis, with no restrictive measures attached. One delegation suggested that taking up such a commitment at the Sixth Ministerial Conference of the World Trade Organization and implementing it could have a major positive impact on the trade and development of a number of the poorest developing countries.

United Nations reform

30. Several delegations referred to the ongoing discussion regarding the reform of the United Nations system. In this context, it was emphasized that any reform should, as a matter of priority, restore development to a central place in the United Nations agenda and strengthen and empower the relevant funds and programmes in order to support that priority.

31. Reference was also made to the role that UNCTAD should play in a reformed United Nations system with regard to development issues. Its role in promoting international policy coordination in an integrated and coherent manner was recognized, and the contribution of UNCTAD towards the better integration of developing countries into the global trading system was appreciated. Several delegations expressed their expectations that UNCTAD should remain a pivotal element in a future United Nations architecture that framed globalization so as to make it serve development.

The role of UNCTAD

32. UNCTAD plays its part in helping developing countries build institutional capacities to reap the benefits from global trade and investment by supporting their development process and poverty reduction efforts. The São Paolo Consensus was considered the way towards a pragmatic and well-focused agenda designed to help countries achieve sustainable development.

33. There were repeated calls for the mandate of UNCTAD, namely, to analyse trade and development issues, to be strengthened and for a continuation of its role as a forum for mobilizing consensus on development objectives and for furthering the conceptual and perceptual understanding of development issues among its constituency. UNCTAD should continue to deliver high-quality technical assistance including capacity-building activities to developing countries, including advice on institutional reforms on a demand-driven basis. It should ensure the equitable distribution of its assistance among regions and tailor that assistance to specific needs.

34. A number of delegations emphasized that the work of UNCTAD on the new geography of trade and economic relations had highlighted the role of South-South cooperation in the overall context of multilateralism. South-South cooperation can be strengthened through the third round of negotiations of the Global System of Trade Preferences among Developing Countries (GSTP); the support of the international community and UNCTAD will be critical in that connection.

35. Several delegations referred to their commitments and priorities in particular with regard to further improving and better coordinating their assistance in this area and, in view of possible trade-integration costs faced by developing countries, providing additional support for trade adjustment and integration into the global economy. However, it was also understood that trade-related capacity-building should also address supply-side constraints, the coherence of national strategies, and regional integration.

36. UNCTAD should continue to facilitate a dialogue on international trade and development, outside the formal negotiating arenas and with the participation of civil society actors. In this context, it was suggested that the operation of the Trade and Development Board should be improved, and the link between the Board and the General Assembly on trade and development issues should be strengthened through, inter alia, a revival of the joint meeting between the Board and the Second Committee on the Assembly agenda item on trade and development. The issue of financing the participation of experts from developing countries and countries in transition in UNCTAD expert meetings should be resolved rapidly in order to ensure the effective contribution of the expert meetings to the intergovernmental work of UNCTAD.

37. Some delegations also suggested that UNCTAD could contribute meaningfully to other development-related processes, including work on the right to development. In that regard, the Trade and Development Board could explore the feasibility of making a substantive contribution to the process, including to the restored consensus in the Commission on Human Rights Working Group on the Right to Development, as well as the implementation of its recommendations. However, another delegation reminded the Board that UNCTAD had no mandate to work on any aspect of the human rights agenda.

38. Other areas where the work of UNCTAD was highlighted and requests were made for its work to be continued and strengthened included trade in services, particularly trade through Mode 4, strategies for the transfer of technology, least developed countries, policy space and the development dimension in the Doha work programme, as well as enterprise competitiveness and investment.

39. There was consensus that UNCTAD could discharge its mandates only in close cooperation with other relevant organizations and institutions, not only those in the United Nations system, including the World Bank and the International Monetary Fund (IMF), but also the World Trade Organization, as well as regional organizations, including regional banks.

40. Several delegations pointed to the need to identify priorities for the UNCTAD work programme in order to focus UNCTAD resources on those areas where they could have the greatest impact.

Chapter II

Contribution of the Trade and Development Board to the follow-up to the relevant United Nations development conferences, including the Millennium Summit

(Agenda item 2)

1. For its consideration of this item, the Board had before it the following documentation:

Doha Declaration (TD/B(S-XXII)/2);

Doha Plan of Action (TD/B(S-XXII)/3);

UNCTAD deliberations on the Millennium Development Goals: note by the UNCTAD secretariat (TD/B/EX(36)/CRP.1).

General statements*

2. The **Officer-in-Charge of UNCTAD** explained that the discussions at the High-level Plenary meeting of the General Assembly in September 2005 would consider a broad agenda, including political, social and human rights aspects, all of which related to future reform of the United Nations, and that the Millennium Development Goals formed only a part of the broader agenda. The present special session of the Board was well placed to provide an important input to the preparations for the high-level plenary on trade and development and related issues, all dealt with in an integrated manner, and thereby add value to the discussions. Four issues were central in discussions of development. First, the Board considered trade a central component of any development strategy, because it was a major avenue of financing for development. Substantial progress in trade was therefore necessary for successful development. Second, the creation of productive capacity was critical in order for developing countries to benefit from the opportunities opened by progress in negotiations on international trade and market access, and in this respect domestic and foreign investment and debt relief, among other areas, were of key concern. Third, the question of flexibility and national ownership of development strategies was important, particularly because there was no "one size fits all" development strategy applicable to all countries; therefore, development strategies needed to be considered on a case-by-case basis. Fourth, maintaining policy space was also of key concern to developing countries. Although still controversial, the need for adequate policy space did not imply reneging on existing commitments but rather making them clearer and ensuring that they worked to further development. There was a need for an appropriate balance between commitments and flexibility for development policies and, related to this, a need to ensure coherence in governance.

3. The **Minister of Planning of Egypt** said that this special session of the Trade and Development Board was particularly important because of its preparatory nature in relation to the High-level Plenary Meeting of the sixtieth session of the General Assembly, to be held in September 2005. That Meeting, which would discuss the

* The full text of certain statements can be found at the UNCTAD website (www.unctad.org).

expanded development agenda, including peace and collective security, human rights and the rule of law, as well as the strengthening of the United Nations, would see the shift from a focus solely on the Millennium Development Goals to one encompassing a wide array of development goals that had been internationally agreed in the recent past. He welcomed these new features since they reflected the understanding that development went beyond addressing the critical needs of the vulnerable and could not be separated from global governance and conflict resolution. This expansion provided both an opportunity and a challenge. While the expanded goals would ensure that the aspiration to development was pursued not through welfare mechanisms but through progress on the economic and social fronts that would allow poor countries to achieve their potential, they should not be tied together as additional conditionalities imposable on those countries.

4. Referring to the recent United Nations publication entitled *Investing in Development: A Practical Plan to Achieve the Millennium Development Goals*,[1] the speaker said that many of its recommendations were pertinent and touched on financing issues. Pointing to the importance of developing Millennium Development Goal-based poverty reduction strategies in developing countries, he urged donor countries to increase ODA, particularly to low-income countries, and to improve its quality (by making it more harmonized and more predictable, with a higher grant element). Each donor was urged to reach the 0.7 per cent target no later than 2015, thereby further strengthening the support for the achievement of the Millennium Development Goals and other assistance priorities. With regard to donor-recipient cooperation, aid should be demand-driven, and technical support could be offered to recipients for developing and implementing nationally owned Millennium Development Goal-based poverty reduction strategies. ODA should be tied to the Millennium Development Goal financing gaps outlined in such strategies, and multilateral organizations should coordinate with recipients on Millennium Development Goal-based processes. Debt relief should be more extensive and generous. Furthermore, developing countries should be encouraged to align national strategies with regional initiatives such as the New Partnership for Africa's Development, and regional groups should receive direct donor support for regional projects.

5. Referring to United Nations reform, the speaker said that a strengthened United Nations should provide a unifying framework for global governance in both the political and the economic spheres. The United Nations bodies had to set global priorities and would have to deal with key issues such as encouraging efficient resource use for promoting global "public goods" such as peace and financial stability, and avoiding global "bads" such as armed conflicts, environmental degradation and diseases. The entire world should be engaged in addressing these issues, and all countries should be entitled to effective representation in global economic governance. In addition, coordinated activities involving the United Nations bodies and other multilateral organizations, as well as donor countries, had to be ensured.

6. With regard to the developmental role of UNCTAD in the context of United Nations reform, the speaker made a number of points. First, United Nations reform should go hand in hand with deepening the role of UNCTAD as the focal point for the integrated handling of trade and development issues. Second, UNCTAD should

[1] London; Earthscan, 2005.

continue to be a consensus platform for development objectives common to all countries and for fostering solidarity on poverty eradication through trade. Third, UNCTAD should continue its role in capacity-building in developing countries through demand-driven technical cooperation. Fourth, UNCTAD should promote South-South as well as North-South cooperation. Lastly, UNCTAD should continue its collaborative work with the World Trade Organization.

7. The representative of the **Democratic Republic of the Congo**, speaking on behalf of the **Group of 77 and China**, said that the Group attached great importance to the work of UNCTAD in promoting development and in supporting developing countries in their efforts to achieve the internationally agreed development goals, including the Millennium Development Goals. The Group appreciated the crucial contribution of UNCTAD in building these countries' capacities to enable them to participate more effectively in international economic decision-making and norm-setting, and in making international trade and the multilateral trading system effective instruments in furthering economic development. It was acknowledged that the three flagship publications of UNCTAD had provided cutting-edge policy analysis on trade and development issues. Its three pillars — consensus-building, policy analysis, and technical assistance and capacity-building — had supported countries' efforts to achieve the Millennium Development Goals. While the Group strongly supported the work of UNCTAD on behalf of countries with special needs, such as the least developed countries, it considered that the development of all developing countries must remain central to the mission of UNCTAD. With regard to the attainment of the Millennium Development Goals and other goals, there was grave concern that recent reviews of the status of implementation had indicated that progress had been woefully inadequate. Although developing countries had primary responsibility for their own development, their capacity to implement internationally agreed development goals was contingent upon support from the international community and an enabling international environment for development. The international environment had not been enabling, since ODA remained far below the target of 0.7 per cent, the net outflow of capital had been from developing to developed countries since 1998, FDI flows were concentrated and developing countries were marginalized in global economic governance. The speaker urged the international community to honour the commitments agreed at various global conferences to support developing countries. Recently agreed initiatives, such as the commitment of EU to meeting the 0.7 per cent ODA target by 2010 and the G-8 debt relief initiatives, could be of real value only if they resulted in additional resource flows, respected national development priorities and were provided without conditionality.

8. The September 2005 High-level Plenary Meeting of the General Assembly would be an opportune occasion for placing development squarely at the forefront of the global agenda by launching a global compact for development based on successful experiences and grounded in the principles of Millennium Development Goal 8. Such a global compact could include a number of key elements: first, a coordinated effort to eliminate systemic inequities, especially in the rules related to trade, finance and technology, so as to allow developing countries to benefit from opportunities within the global economy; second, the full integration of the development dimension into international rule-making, and allowing countries to enjoy flexibility and national policy space while assuming international obligations; third, efforts to address systemic biases in the multilateral trading system, including

through the Doha Round negotiations; fourth, concomitant efforts to enlarge market access and facilitate fuller market entry for products of strategic importance to developing countries, phase out trade-distorting subsidies, and tighten the rules for the use of trade remedy procedures (such as anti-dumping and countervailing measures) and of standards barring exports from developing countries; fifth, full and effective realization of the development dimension of the Doha Work Programme; sixth, promoting good governance at the global level, including reform of the international financial architecture and the Bretton Woods institutions, to complement efforts to strengthen good governance domestically; seventh, pursuing arrangements to strengthen the management of globalization at the international level through enhanced international policy coordination and reform of the international financial architecture; eight, increased ODA, improved quality and effectiveness of aid, closer integration with national development strategies, greater predictability and stability in aid flows, and genuine national ownership of development strategies; ninth, measures to provide an expeditious, comprehensive, development-oriented and lasting solution to the debt problems of developing countries; and tenth, an effective international arrangement to address the problem of weak and volatile commodity prices.

9. With regard to reform of the United Nations, the critical message from this session of the Trade and Development Board must be that any reform should, as a matter of priority, restore development to a pivotal place in its agenda, and that its funds and programmes must be strengthened and empowered to support that priority. The mandate of UNCTAD, namely, to analyse trade and development, should be concomitantly strengthened. UNCTAD should continue to serve as a forum for mobilizing consensus on development objectives and for bridging conceptual and perceptual gaps among various stakeholders. It should continue to provide technical assistance including capacity-building on a demand-driven basis, equitably distributed among regions and tailored to specific needs. The operation of the Board should be improved and its joint meeting with the Second Committee on the General Assembly agenda item on trade and development should be revived. UNCTAD should also undertake analytical work of interest to developing countries, including the liberalization of Mode 4 (trade in services) and the development impact of circular migration, and the nexus between migration and development. As endorsed by the Commission on Human Rights, UNCTAD should also contribute substantively to the work on the right to development. Furthermore, it should promote strategies for technology transfer for development and work towards an international agreement on technology exchange.

10. The representative of the **Philippines**, speaking on behalf of the **Asian Group**, commented on the role of UNCTAD in the implementation of internationally agreed development goals, including the Millennium Development Goals. He focused on areas where UNCTAD could make substantive contributions. In the area of trade, UNCTAD had focused on the need to strengthen the capacities of developing countries to participate more effectively in international economic decision-making and norm-setting and in making the multilateral trading system an effective instrument for development. However, the multilateral trading system had not yet adequately addressed the concerns and interests of developing countries, and therefore there was still a need to address some biases in the system and to ensure full participation in and ownership of the multilateral trading system by all countries. Regarding reform of the international financial architecture, UNCTAD

had stressed the interrelationship between trade and financial systems and their impact on development, pointing out the need to enhance international policy coordination in an integrated and coherent manner. UNCTAD should therefore be part of a future United Nations architecture designed to make globalization work for development. In the area of investment, UNCTAD had highlighted several aspects that deserved further attention in order to enhance the contribution of investment to development, including recipient countries' need to manage external capital flows, thereby avoiding destabilizing effects on their domestic economies, and the need for a stronger ethos of corporate developmental responsibility to ensure that the business sector would be a positive agent of development. Regarding debt, the Asian Group welcomed the development-related initiatives arising from the recent G-8 summit and wished to point out that these had been made possible by the invaluable pioneering policy analysis on debt carried out by UNCTAD. These initiatives should free resources to enhance and strengthen national capacity-building in developing countries. Regarding the new geography of international economic relations, UNCTAD had emphasized the role of South-South cooperation through, inter alia, the third round of negotiations of the Generalized System of Trade Preferences among Developing Countries (GSTP). The support of the international community and the efforts of UNCTAD were critical for ensuring that the Generalized System remained an effective means of enhancing South-South trade. In the area of policy space and international economic governance, UNCTAD had brought to the fore the need for developing countries to participate more actively in the development process. The Asian Group stressed the need for international rules to respect national sovereignty and allow policy space and flexibility so that developing countries could formulate development strategies that took into account national interests and institutional realities. The recent South Summit had highlighted the need for an approach to development based on partnership, to which UNCTAD should continue to contribute. The Asian Group welcomed the initiative of the Government of Indonesia to host, in August 2005, an Economic and Social Commission for Asia and the Pacific (ESCAP) regional ministerial meeting on the Millennium Development Goals that would include among its aims that of elaborating a regional compact for development to complement efforts at the global level. Finally, he elaborated on some specific areas where UNCTAD should be further strengthened: the link between the Trade and Development Board and the General Assembly on trade and development issues, which could be reinforced by, inter alia, reviving the Board-Second Committee joint meeting on trade and development; the role of UNCTAD as an advocate for development in other multilateral forums, including the World Trade Organization; substantive work on liberalization of Mode 4, trade in services, including the developmental impact of circular migration, which in turn should contribute to ongoing processes in other multilateral forums in Geneva; contributions to other development-related processes such as the right to development; positive movement on least developed countries and the UNCTAD trade "Marshall Plan" for least developed countries; and promotion of strategies for technology transfer to developing countries, including work towards an international agreement on technology exchange.

11. The representative of **Egypt**, speaking on behalf of the **African Group** said that despite the great achievements of humanity, Africa was still lagging far behind in economic and social development. The development and social problems of the African continent, especially of its least developed countries, had been widely

recognized. Recently, some countries had been suffering from drought and many more from the spread of HIV/AIDS. Extreme poverty had grown steadily in Africa's poorest countries. Almost 65 per cent of the population were living on less than a dollar a day. The negative effects of an era of civil wars that had devastated many African countries were still hindering national development policies, and many countries were also suffering from unsustainable debt burden, lack of infrastructure and low school enrolment ratios.

12. In adopting the New Partnership for Africa's Development, African leaders had recognized that Africans themselves had to play a substantive role in the development of their continent. However, the international community also had an important part to play in supporting the development process in Africa. Both the developed countries and the international organizations had a great deal of responsibility. UNCTAD had provided important assistance to Africa, and Africans showed a high level of commitment to that organization, repeatedly requesting that resources for the provision of such assistance be increased. Other organizations following a different policy approach, such as the World Bank and IMF, also had an important role. Considerable shifts in the economic thinking governing those institutions had taken place over the last two decades and the development aspect had begun to acquire an increasing importance in their strategies.

13. The latest report by the UNCTAD secretariat on economic development in Africa was an important document, not only for Africa but for all developing countries. The debate on the issues raised in that document would greatly benefit from the views of countries that had already entered the Poverty Reduction Strategy Paper (PRSP) implementation phase. It would also be useful to have a reaction from the World Bank and IMF.

14. The UNCTAD document could give the impression that it was challenging the new poverty reduction strategy adopted by the Bretton Woods institutions; however, the views presented in that document should be considered within the framework of a positive debate aimed at maximizing the benefits obtained from implementing such strategies in different regions and minimizing any side effects. The role of UNCTAD as a pioneer in presenting developmental approaches to tackling the developing countries' concerns in different areas was widely appreciated. It was normal that the conclusions of its reports, including the 2005 report on economic development in Africa, had met with both agreement and disagreement from the different delegations. It was important, however, that developing and developed countries, as well as the relevant international organizations, continued working to face the development challenge that was threatening not only the developing countries but the entire planet.

15. The representative of **Benin**, speaking on behalf of the **Group of Least Developed Countries** (LDC Group), emphasized the need for concerted action by the international community to attain the Millennium Development Goals, particularly in least developed countries that were structurally vulnerable and thus required specific attention and support. He indicated that successful implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010[2] would go some way towards achieving the Millennium Development Goals. To reach the primary objective of halving the number of people in extreme

[2] A/CONF.191/13, chap. I.

poverty and hunger by 2015, least developed countries must achieve economic growth of 7 per cent a year throughout this period. Such growth would depend on the availability of increased financial resources. The Programme of Action recognized that least developed countries would not be able to provide such resources themselves and thus required significant external support. However, according to a recently concluded programme evaluation, these goals were still far from being achieved. With regard to the level of finance available, the LDC Group believed that the international community should support least developed countries in assessing their investment and infrastructure needs. Without certain basic infrastructure, least developed countries would never be able to develop properly and attract the investment necessary for sustaining long-term growth. To increase least developed countries' participation in international trade was clearly an objective of the United Nations Millennium Declaration. However, the *Least Developed Countries Report, 2004*[3] had made it clear that the trading system remained inequitable, that least developed countries still faced persistent trade deficits and that agriculture continued to dominate most least developed countries economies, with least developed countries' being prevented from fully benefiting from international trade by market distortions (such as domestic subsidies, export incentives and tariff increases) introduced by some World Trade Organization members. Least developed countries would be home to 471 million people in chronic poverty by 2015 if current trends continued. In this context, and that of the Millennium Declaration, it was vital that real progress be made to support least developed countries in terms of both trade and aid. Currently, least developed countries' development efforts were offset by their narrow production base, heavy debt burden and lack of competitiveness and investment. The LDC Group believed that the resulting "vicious circle of debt" could be broken only by massive financial and technical assistance. The speaker welcomed the various initiatives being taken to increase market access for least developed countries. However, he expressed concern that these countries were unable to take full advantage of those initiatives, and that the actual benefits of the preferences they received were minimal. Improving market access involved not only tariff reduction but also relaxation of non-tariff barriers and rules of origin. Least developed countries also needed to strengthen and diversify their export sectors. The LDC Group believed that international trade could contribute to sustained economic growth but needed international support to achieve this. The Group had submitted four recommendations for adoption that would help least developed countries achieve the Millennium Development Goals: the introduction of full market access for all products from least developed countries; the creation of special microcredit funds to help diversify production in least developed countries; the cancellation of least developed countries' debts to enable greater State investment in infrastructure; and the removal of agricultural subsidies in developed countries. It would also be desirable to accelerate the procedure for least developed countries' accession to the World Trade Organization.

16. In conclusion, the speaker said that his Group was convinced that if least developed countries could count on a proper partnership in adapting development assistance to their needs and ambitions, there would be every chance that the Millennium plan of action could yield positive results. In this connection, he urged

[3] United Nations publication, Sales No. E.04.II.D.27.

UNCTAD to maintain its efforts, in collaboration with member States, to formulate effective measures to address the needs of the LDC Group.

17. The representative of the **United Kingdom of Great Britain and Northern Ireland**, speaking on behalf of the **European Union (EU) and the acceding countries Bulgaria and Romania**, said that development was a shared goal and responsibility, and that EU was committed to the implementation of the Millennium Declaration and the Millennium Development Goals. While ODA provided by EU would increase significantly following its recent decision to reach the 0.7 per cent target by 2015, and to fix a new common target of 0.56 per cent of gross domestic product (GDP) to be reached by 2010, EU recognized that the quality and effectiveness of ODA also needed to be improved, and its outcomes needed to be sustainable. EU underlined the link between achieving the Millennium Development Goals and implementing the outcomes of the United Nations international conferences and summits in the economic, social, environmental and related fields. Achievement of the Millennium Development Goals would require sustained and equitable economic growth, and economic integration should benefit developing countries, particularly those in Africa. EU was strongly committed to ensuring a development-friendly, sustainable and ambitious outcome for the Doha Development Agenda that would maximize development gains and thus contribute to the achievement of the Millennium Development Goals. Such an outcome would provide new market access opportunities for goods and services from and between developing countries. However, the special needs of some countries, including the least developed countries, should be fully taken into account through special and differential treatment provisions. These countries would need to improve their capacity to defend their interests in the World Trade Organization and to implement their commitments. EU recognized that not all developing countries might have been able to take advantage of existing trade opportunities or would be able to take full advantage of new opportunities created by a successful outcome to the Doha Development Agenda. EU had therefore committed itself to further improving and better coordinating trade-related assistance programmes in view of possible trade integration costs faced by developing countries. EU would also be providing additional support for trade adjustment and integration into the global economy. EU would therefore continue to provide support to developing countries to enable them to seize trading opportunities, in particular by assisting them in integrating production, trade and economic growth into their national development strategies and poverty reduction strategies, and in securing the necessary domestic reforms. EU recognized the importance for sustainable development of good governance, strengthened democratic institutions and action against corruption, and that each country had the primary responsibility for its own economic and social development. UNCTAD could help developing countries build their institutional capacity to reap benefits from global trade and investment, thereby supporting their development and poverty reduction efforts. This work should be done in cooperation and complementarily with other international and regional organizations and financial institutions. With regard to the Millennium Development Goals, UNCTAD could contribute by providing high-quality assistance for capacity-building, assisting policy development through analysis, and facilitating a dialogue on international trade and development outside of formal negotiations. Civil society would have a role to play in the last-mentioned area. UNCTAD would need to prioritize the utilization of its limited resources in order to maximize its contribution

to the achievement of the Millennium Development Goals and to maintain high standards in its work.

18. The representative of **Colombia**, speaking on behalf of the **Latin American and Caribbean Group**, said that while endorsing the statement made on behalf of the Group of 77 and China, the Latin American and Caribbean Group wished the outcome of the present special session to be duly considered by the General Assembly. The main responsibility for development lay with developing countries, but the international community, and in particular developed countries, should support the creation of an enabling environment for the implementation of the internationally agreed development goals. The Latin American and Caribbean Group believed that in order to achieve good governance, the fight against corruption should be carried out jointly by developed and developing countries. He referred to Assembly resolution 59/155 of 20 December 2004, and said that the achievement of the Millennium Development Goals would be facilitated if developing countries were to cooperate with a view to avoiding dealings with transnational corporations involved in corruption in other developing countries. Developed countries should also adopt pertinent measures against these companies, such as criminalizing activities aimed at promoting or benefiting from acts of corruption, even those disguised as the payment of commissions or the rendering of services. Although the Latin American and Caribbean Group had adopted the Inter-American Convention against Corruption in 1996, no instrument would suffice without a collective international effort to condemn both the corrupter and the corrupted.

19. The representative of **Algeria** said that, because the reform project currently being discussed at United Nations Headquarters encompassed the universal aim of benefiting all human beings, it should be finalized by promoting the more effective participation of all regional groups represented in the Organization. However, the final document to be discussed in September 2005 would not seem to fully endorse this approach, as it considered all development issues as simply security challenges, hence the shift in focus from the development/peace nexus to the development/security nexus. The document unduly stressed the need to accomplish the global agenda for development with a dominant focus on the achievement of the Millennium Development Goals, even though development issues would go far beyond them. In particular, the document overemphasized the role of domestic policies in developing countries — democratization, good governance and the fight against corruption — to the detriment of potential efforts on the part of the international community to foster development. No formal commitment had yet been made by developed countries to fulfil their promise to increase ODA to 0.7 per cent of GDP and to seriously tackle the issue of developing countries' external debt. On the other hand, the document understated the need to further improve the democracy of decision-making processes within multilateral organizations such as the World Trade Organization. For their accession to the Organization, developing countries must comply with a wider array of conditions than those previously complied with by developed countries themselves. The document should be welcomed for its inclusion of specific development issues in Africa, but the international community should be urged to actively support the New Partnership for Africa's Development initiative so that African countries could avoid further marginalization from the rest of the world. It was regrettable that the document made no reference to UNCTAD or its recommendations on various issues.

20. The representative of **China** said that UNCTAD could play an important role in the attainment of the Millennium Development Goals, and that it had not only a responsibility but also the ability to contribute to the review to be undertaken at the High-level Plenary Meeting of the General Assembly. In efforts towards achieving the Millennium Development Goals, priority should be given to ensuring national economic development, and the greatest challenge in developing countries was to create a stable and favourable development environment, including improved national strategies and international policies that were not only stable but also favourable to economic development. Although a sound multilateral trading system could enable developing countries to place hope in it, the current situation was far from satisfactory. The question was whether developing countries could enjoy special and differential treatment and policy space when participating in the international process. The international community, in particular developed countries, should treat the comparative advantages and the competitiveness of developing countries in a fair and just manner. Developed countries should adopt policies and measures that favoured rather than obstructed these countries' development, and in this regard the task of realizing the Millennium Development Goals would be arduous. However, if the international community made unremitting joint efforts and turned commitments into actions, these goals would no longer be beyond reach. The work of UNCTAD in this regard should be further strengthened.

21. The representative of the **United States of America** expressed her Government's full support for the goals of the Millennium Declaration and the development consensus achieved at Monterrey and Johannesburg. She recalled the primary responsibility of developing countries for their own development and the responsibility of developed countries to support their efforts in that regard. At the core of United Nations development work should be the effort to help countries build market democracies in order to achieve the goals of the Millennium Declaration and ultimately eradicate poverty. UNCTAD could contribute through technical assistance, analysis and consensus-building. In reaction to previous statements during the special session, the representative said that the United States noted that "good policy", rather than "policy space" should be the focus when crafting development policies. On developing countries' "right to development", her Government would not support UNCTAD in taking up any work related to human rights, as this type of work would not fall within the mandate of UNCTAD. Recalling the statement of the United Kingdom on behalf of EU, she expressed the hope that there would be a fruitful dialogue between Governments and the UNCTAD leadership in order to set priorities for the utilization of the organization's resources so as to achieve the greatest impact.

22. The representative of **Indonesia** said that, in the implementation phase of the internationally agreed development goals, including the Millennium Development Goals, UNCTAD should pursue the three pillars of its work, namely, consensus-building, policy analysis and capacity-building. As the São Paulo Consensus adopted at the eleventh session of UNCTAD represented the latest international consensus on trade and development, it should be implemented fully and highlighted at the forthcoming High-level Meeting of the General Assembly. UNCTAD should continue approaching trade and related issues within an integrated framework with the aim of making globalization work for development. Trade liberalization must be fostered to maximize development gains for developing countries. With regard to competition issues, UNCTAD should continue to address trade and competition

issues in an integrated manner, and he welcomed the convening of the Fifth United Nations Conference to Review All Aspects of the United Nations Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, to be held under UNCTAD auspices in Antalya, Turkey, in November 2005. He also welcomed the recent decision of the G-8 leaders to erase the debt of heavily indebted poor countries (HIPCs) in Africa and in that connection expressed his support for the invaluable pioneering policy analysis on debt undertaken by UNCTAD. Measures like that on debt contributed to a comprehensive approach to development based on common partnership, which was exactly what was required to achieve the Millennium Development Goals.

23. The representative of **Mexico** said that the importance of UNCTAD for dialogue and consensus-building lay in ensuring that developing countries benefited from globalization and economic interdependence. UNCTAD provided a valuable forum for dialogue among all stakeholders in development, including Governments, civil society organizations and the specialized agencies — a dialogue that reflected shared responsibility and a search for solutions in combating poverty and improving the well-being of developing countries. UNCTAD should continue to contribute to the follow-up to the relevant international conferences by analysing international trade from a development perspective and providing developing countries with technical cooperation for capacity-building. This work should be linked with actions on financing for development stemming from the International Conference on Financing for Development, held in Monterrey, Mexico, in 2002, so as to consolidate a coherent multilateral system that would lead to greater correspondence between national development strategies and the global economic process. This link was indispensable given the recognition that liberalization and economic reform, together with adjustments by developing countries in their national economies, had by themselves not been sufficient for attaining the Millennium Development Goals. UNCTAD together with stakeholders could participate actively in strengthening a framework of shared responsibility and productive dialogue.

24. The representative of **Ethiopia** said that, five years after the adoption of the United Nations Millennium Declaration, an assessment of the progress made towards the achievement of the Millennium Development Goals revealed that the noble ambitions behind the Declaration were fading and turning into a distant dream for Africa, home for the majority of least developed countries. He stressed, however, that the Millennium Development Goals would remain achievable provided concerted actions were undertaken. Developing countries were faced with overwhelming challenges that could not be confronted without the effective support of the international community. First, they were trapped in a vicious circle of low income, low savings and low investment, leading to low productivity and low growth. Second, they were largely unable to attract FDI that could bring about spillovers of employment-generation and technology transfer into the domestic economy. Third, the secular decline in their commodity prices had resulted in a debt overhang that siphoned off scarce resources that could otherwise have been used to fight poverty. Fourth, the inadequate volume and poor quality of ODA had compromised its true potential, resulting in a misguided perception that aid would not work. He welcomed recent decisions by the G-8 leaders, particularly the decision to double the level of ODA, cancel 100 per cent of the outstanding IMF, International Development Association (IDA) and African Development Bank debt

of eligible HIPCs, and ensure these countries' ownership of their development policies.

25. The representative of **Sri Lanka**, supporting the statement made by the representative of the Group of 77 and China, as well as that of the Asian Group, said that the outcome of the Sixth Ministerial Conference of the World Trade Organization in Hong Kong (Special Administrative Region (SAR) of China) would contribute to the attainment of the Millennium Development Goals if the special needs of weak and vulnerable developing countries, including the least developed countries, were taken into consideration. Two thirds of the world's poorest people lived in the Asia-Pacific region, yet it received less than half of global development assistance. Trade and financial systems in the region had suffered from external shocks, which had impacted on its development, and geographically vulnerable small countries, including his own country, had also borne the brunt of the recent tsunami, which could wipe out many of the development gains that had been achieved. National capacity-building and early warning systems were crucial in coping with these crises.

26. The analytical work carried out by UNCTAD on the movement of physical persons (Mode 4 of the General Agreement on Trade in Services) was important and of potential benefit to developing countries. In this regard, the work of UNCTAD should be fully integrated into international discussions on migration. Sri Lanka welcomed the recent initiatives of developed countries to address the debt of poor countries, and expressed its wish that the Heavily Indebted Poor Countries (HIPC) Initiative or similar mechanisms could also be used to address the debt problem of some countries in the region. In conclusion, the speaker reaffirmed his Government's strongest support for the involvement of UNCTAD in the intergovernmental process.

27. The representative of **Jamaica** said that, while the value of the role of UNCTAD had been reaffirmed in the São Paulo Consensus and that trade was understood to be central to development, the development dimension of trade should be tackled specifically in a systematic way so as to address the concerns of developing countries. She suggested that, before the sixth Ministerial Conference of the World Trade Organization to be held in Hong Kong SAR, an assessment should be carried out to determine the extent to which development had been placed at the heart of the Doha agenda. This would allow corrective measures to be introduced in Hong Kong SAR, if necessary. Her Government subscribed to the idea that effective development strategies should be approached not simply through increased liberalization, but through a number of mutually reinforcing policies such as those provided by the "special and different treatment" approach. The issue of the treatment of small economies was of particular concern to Jamaica. The attention given to the issue in the Doha Plan of Action (A/60/111, annex II) was welcome, given that the Caribbean economies were under particular strain, caught between withdrawal of the preferences from which they had previously benefited on the one hand and increased trade liberalization on the other. While the support that UNCTAD had provided to developing countries in the area of trade was welcome, more should be done to achieve the objectives of the Millennium Development Goals. While trade was critical to growth, a number of other factors, both internal and external, must be addressed, including the level of ODA, especially in a climate of generally decreasing external finance to developing countries. She welcomed the EU initiative to raise ODA to 0.7 per cent of GDP by 2015 and encouraged other

countries to undertake a like commitment. UNCTAD efforts to help developing countries raise FDI inflows were commendable, and its work in this context should continue. Finally, the representative called for a realistic response to the issue of debt relief and welcomed the initiative taken at the G-8 Summit in Gleneagles, United Kingdom.

28. The representative of **Honduras**, referring to various provisions in the Doha Declaration and the Doha Plan of Action (A/60/111, annexes I and II) concerning the function of UNCTAD, noted that the organization's role in policy analysis, policy advice and achieving consensus on development matters had been recognized. UNCTAD could contribute, within its mandate, to the enrichment of discussions on debt relief and assistance for developing countries in the context of a development-oriented solution that would link various debt relief alternatives to national development plans and to the achievement of the Millennium Development Goals.

29. The representative of **Mauritius**, associating himself with the statements made on behalf of the Group of 77 and China, the African Group and Jamaica, stressed that trade was a key component in achieving the Millennium Development Goals and that trade liberalization should ensure development gains. In the process of multilateral trade liberalization, small and vulnerable economies such as Mauritius were faced with many challenges, ranging from natural imbalances to trade disadvantages, such as supply capacity constraints and the inability to achieve economies of scale. As a result, competitiveness in international markets would be reduced. Liberalization should be complemented by measures in support of least developed countries, landlocked countries, and small and vulnerable economies. Such measures should be compatible with sustainable development. He highlighted the importance of trade adjustment funds, special and differential treatment, the improvement of supply capacities, and the operational organization of the concept of policy space, among other issues. He also expressed concern about the erosion of preferences, because preferences would allow a level playing field in the multilateral trading system and contribute to the achievement of the Millennium Development Goals.

30. The representative of **Thailand** said that his country perceived that development was an issue that should be tackled by integrating the Millennium Development Goals into national development strategies, but that it could not be pursued without the achievement of an enabling global environment through close cooperation with developed partners and the international community. The collective approach, at both the national and international levels, could help establish a strong sense of ownership and shared responsibility to enable developing countries to deal with deep-rooted development problems in a holistic manner. In this regard, he made a number of recommendations about how UNCTAD should develop its work. First, for the purpose of fostering an enabling global environment to facilitate international investment flows and increasing research and development (R&D)-related FDI, UNCTAD could help define the scope of investment issues, including development aspects, so as to assist developing countries in negotiating provisions for free trade agreements. Second, regarding the development aspect in the World Trade Organization Doha Work Programme, UNCTAD should continue its package of technical assistance and capacity-building programmes to help developing countries better engage themselves in the multilateral trade negotiations. Third, regarding policy space and flexibility in the 1994 Agreement on Trade-

related Aspects of Intellectual Property Rights, particularly in order to ensure developing countries' access to affordable medicines, UNCTAD should continue work programmes aimed at promoting transfer of technology and R&D as a means of contributing to a development-friendly intellectual property system. Fourth, United Nations reform should identify the role of UNCTAD as that of the focal point for the integrated treatment of trade and development so that the tasks that were the organization's three pillars — intergovernmental deliberations, policy analysis and capacity-building — could be fulfilled. In conclusion, the speaker indicated that Thailand had been active in various initiatives for economic cooperation and human development, and ultimately achieving the Millennium Development Goals. The formation of partnerships among Governments, international organizations and other stakeholders, which would ensure policy coherence and make globalization work for development, would be of great merit.

31. The representative of **Pakistan** said that the special session had an important message for the High-level Meeting of the General Assembly, and that UNCTAD had an important role to play in achieving the Millennium Development Goals, particularly in view of its demonstrated ability to forge and influence consensus within and outside the organization, as evidenced by its positive impact on the "July package" agreed on 1 August 2004 at the World Trade Organization. Countries were far from meeting the Millennium Development Goals, even the first Goal of reducing poverty. The challenges of development were not only to bridge the development divide but also to prevent it from becoming wider. The economic and social transformations unleashed by globalization had overwhelmed many developing countries that were also beset by problems such as poverty, lack of financial resources for development, a heavy debt burden with the associated reverse flow of capital from developing to developed countries, deteriorating terms of trade, increasing financial risk, and low levels of technological development. These problems hampered healthy economic development, posing a threat to global security. If, as was often stressed, developing countries should take primary responsibility for their own development, then policy space (which was shrinking) was essential for their becoming able to do so. According to the *Trade and Development Report 2004*,[4] the balance between national welfare and international integration hinged on an appropriate mix of market forces, policy space and collective action. Thus, the special session should convey the importance of policy space in its message to the High-level Meeting of the General Assembly. As the right to development owed its genesis to the historical wrongs committed in the process of lopsided development, an approach based on the right to development would address the imbalances in the international economic environment, namely, in its financial order, trading system, knowledge and technology, and economic decision-making. The High-level Meeting should ensure adequate financing for development, equitable global trade rules, fair access to knowledge and technology, and the effective participation of developing countries in international economic decision-making. Other important issues included corporate social responsibility and a development-oriented coherence between national development strategies and decisions emanating from international financial institutions.

32. The representative of the **Dominican Republic** said that, in the context of the shared responsibility for development, his country had announced the establishment

[4] United Nations publication, Sales No. E.04.II.D.29.

of a Presidential Commission on the Millennium Development Goals and on Sustainable Development which would monitor and evaluate the country's development-related progress. This inter-institutional and multisectoral Commission would also strive to improve the link between work at the local level and work at the national level, ensure a high-level commitment to overcoming bureaucratic hurdles, and facilitate local coordination between the United Nations system and the Government. As the only one of the eight pilot countries of the United Nations' Millennium Project with such a Commission, the Dominican Republic would share its experiences with other developing countries and with least developed countries. It would also provide technical assistance in the spirit of South-South cooperation, conduct needs evaluations related to the Millennium Development Goals, analyse costs related to the implementation of these goals, identify the necessary investments, and formulate a financial strategy and macroeconomic policy.

33. The representative of the **United Republic of Tanzania** said that the international community should demonstrate its commitment to the Millennium Development Goals by achieving real changes on the ground, not just on paper. The same point could be made about special and differential treatment for least developed countries, but in this regard, she welcomed the position taken by EU. There was a need for adequate financing and resources for the least developed countries to enable them to integrate properly into the multilateral trading system.

34. The representative of the **Democratic Republic of the Congo** took the floor in order to clarify, in the light of comments made by some delegations, several points made in his country's earlier statement on behalf of the Group of 77 and China. He said that his Group fully agreed with the view that good national policies and programmes were important for promoting development. However, by themselves, democracy and good national policies and programmes would be inadequate to ensure successful development. Development also required recognition by developed countries of the need for policy space and for assistance to developing countries. With regard to ongoing activities in the Commission on Human Rights on the right to development, the speaker proposed that UNCTAD, given its focus on trade and development issues, explore the feasibility of contributing to this exercise. UNCTAD should also follow up on the implementation of the Working Group on the Right to Development if the Commission was to endorse this suggestion. The Group requested that this issue be brought to the attention of the discussions to take place in September 2005 via the Chairperson's summary.

Action by the Trade and Development Board

35. The Trade and Development Board requested the President of the Board to transmit the Chairperson's summary to the President of the General Assembly. It further decided that the Chairperson's summary should also be forwarded to the regional coordinators in New York, and that the summaries of the general statements should be forwarded to the President of the Assembly and the regional coordinators in New York as supplementary information.

Chapter III
Other business

(Agenda item 3)

Financing of experts

1. The representative of the **Democratic Republic of the Congo**, speaking on behalf of the **Group of 77 and China**, recalled that, at its resumed forty-fourth session in May 2005, the Working Party on the Medium-term Plan and the Programme Budget had requested further consultations on the financing of experts and had recommended the designation of a focal point on the matter within the UNCTAD secretariat. This was a highly important issue for his Group, and it would be important for the Board to return to the matter at its thirty-seventh executive session.

Chapter IV

Institutional, organizational, administrative and related matters

Opening of the session

1. The special session was opened by Ms. Sarala M. Fernando (Sri Lanka), Vice-President of the Trade and Development Board, who also presided throughout the session.

Adoption of the agenda

2. The Board adopted the provisional agenda as contained in document TD/B/(S-XXII)/1 (see annex I below).

Bureau

3. The Bureau of the Board was as elected at its fifty-first session. The Bureau was thus as follows:

President:

Mrs. Mary Whelan (Ireland)

Vice-Presidents:

Mr. Iouri Afanassiev (Russian Federation)
Mr. Luciano Barillaro (Italy)
Mr. Doru Romulus Costea (Romania)
Ms. Sarala M. Fernando (Sri Lanka)
Mr. Kiminori Iwama (Japan)
Ms. Melissa J. Kehoe (United States of America)
Mr. Ernesto Martínez Gondra (Argentina)
Mr. Jorge Ivan Mora Godoy (Cuba)
Mr. Love Mtesa (Zambia)
Ms. Preeti Saran (India)

Rapporteur:

Mr. Patrick Krappie (South Africa)

Report of the Board on its twenty-second special session

4. The Board authorized the Rapporteur to finalize the report on its twenty-second special session under the authority of the President.

Annex I

Agenda for the twenty-second special session of the Trade and Development Board

1. Adoption of the agenda.
2. Contribution of the Trade and Development Board to the follow-up to the relevant United Nations development conferences, including the Millennium Summit.
3. Other business.
4. Report of the Board on its twenty-second special session.

Annex II

Attendance*

1. The following States members of the United Nations Conference on Trade and Development, members of the Trade and Development Board, were represented at the session:

Albania
Algeria
Argentina
Austria
Bahrain
Bangladesh
Belarus
Belgium
Benin
Bhutan
Bolivia
Botswana
Brazil
Bulgaria
Chile
China
Colombia
Czech Republic
Cuba
Democratic Republic of the Congo
Denmark
Dominican Republic
Egypt
Ethiopia
Finland
France
Germany
Ghana
Greece
Honduras
Indonesia
Iran (Islamic Republic of)
Iraq
Ireland
Israel
Italy
Jamaica
Japan
Jordan
Kenya
Lebanon
Lesotho
Libyan Arab Jamahiriya
Madagascar
Malaysia
Malta
Mauritius
Mexico

* For the list of participants, see TD/B/(S-XXII)/INF.1.

Morocco	Spain
Myanmar	Sri Lanka
Nepal	Switzerland
Netherlands	Thailand
Norway	Tunisia
Oman	Turkey
Pakistan	Uganda
Peru	Ukraine
Philippines	United Kingdom of Great Britain and Northern Ireland
Poland	United Republic of Tanzania
Republic of Korea	United States of America
Romania	Uruguay
Russian Federation	Venezuela (Bolivarian Republic of)
Saudi Arabia	Yemen
Slovakia	Zimbabwe

2. The following other States members of UNCTAD, not members of the Board, were represented as observers at the session:

Holy See

Monaco

3. The following observer was represented at the session:

Palestine

4. The following intergovernmental organizations were represented at the session:

African, Caribbean and Pacific Group of States

African Union

European Community

Organisation internationale de la francophonie

Organization of the Islamic Conference

South Centre